

MEMORANDUM

Agenda Item No. 8(K)(3)

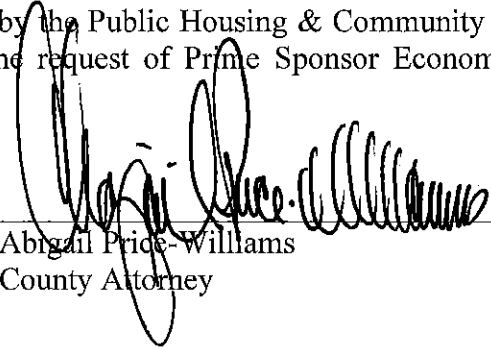
TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: December 6, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution approving a loan of \$1,221,500.00 of HOME program income funds to La Joya Estates, LTD., or related entity, for development of the La Joya Estates Affordable Housing Project and a loan of \$180,517.52 of Home Program Income Funds to Carrfour Supportive Housing, Inc., or related entity, for rehabilitation of the Harding Village Affordable Housing Project; authorizing the filing of substantial amendments to the FY 2013-2017 Consolidated Plan and FY 2016 action plan filed with the United States Department of Housing and Urban Development for the allocations of Home funds in this item; and authorizing the execution of conditional loan commitments, and other agreements necessary to accomplish the purposes of this resolution

The accompanying resolution was prepared by the Public Housing & Community Development Department and placed on the agenda at the request of Prime Sponsor Economic Prosperity Committee.


Abigail Price-Williams
County Attorney

APW/lmp

Memorandum



Date: December 6, 2016

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez", written over a horizontal line.

Subject: Resolution Approving a Loan of Prepaid HOME Loan Funds to La Joya Estates, Ltd., or related entity, for Development of the La Joya Estates Affordable Housing Project; Allocation of HOME Program Income to Carrfour Supportive Housing, Inc. for Rehabilitation of the Harding Village Affordable Housing Project; and Substantial Amendments to the FY 2013-2017 Consolidated Plan and FY 2016 Action Plan

Recommendation

It is recommended that the Board of County Commissioners (Board) substantially amend the FY 2013-2017 Consolidated Plan and FY 2016 Action Plan filed with the United States Department of Housing and Urban Development (U.S. HUD) in order to:

- Allocate \$1,221,500.00 of Home Investment Partnerships (HOME) program income funds received through the prepayment of two HOME program loans; and authorize, in accordance with Section 17-02 of the Miami-Dade County Code, the loan of these program income funds to La Joya Estates, Ltd., or related entity, for the development of La Joya Estates, an affordable housing project;
- Allocate \$180,517.52 of HOME program income funds to Carrfour Supportive Housing, Inc. in the form of a loan for the rehabilitation of Harding Village, an affordable housing project; and
- Execute all conditional loan commitments, standard shell contracts, standard shell loan documents, amendments and other agreements necessary to accomplish the purposes of this resolution.

It is further recommended that the Board authorize the County Mayor or County Mayor's designee, upon a determination that such actions are in the best interest of the County, to subordinate and/or modify the terms of contracts, agreements, amendments and loan documents so long as such modifications are approved by the County Attorney's Office and are not substantially inconsistent with this resolution and to exercise the termination, waiver, acceleration, or other provisions set forth therein.

Scope

The La Joya Estates project is located on the NE corner of SW 267 Street and SW 143 Avenue, Naranja, Florida, 33032, in District 9, represented by Commissioner Dennis C. Moss.

The Harding Village project is located at 8520 Harding Avenue, Miami Beach, Florida, 33141, in Commission District 4, represented by Commissioner Sally A. Heyman.

Fiscal Impact/Funding Source

This item allocates HOME program income funds and will not have a negative fiscal impact on the County's General Fund. The funding in this item consists of proceeds from previously issued County loans to Naranja Affordable Housing, Ltd. and other HOME program income received by the County through its administration of the HOME program. Both of the loans to Naranja Affordable Housing, Ltd. were prepaid in full in April 2016. These prepaid funds are recommended to be reloaned to La Joya Estates, Ltd., or a related entity, in the amount of \$1,221,500.00, as requested in a letter from Naranja Affordable Housing, Ltd., attached hereto as Exhibit 1. The details of the prepaid loans are listed in the Background Section.

Track Record/Monitor

The project will be monitored by Michael Liu, Director, Public Housing and Community Development Department.

Background

La Joya Estates

It is recommended that the Board allocate \$1,221,500.00 of HOME program income funds in the form of a loan for the development of La Joya Estates, a new construction, affordable housing, multi-family development located on the NE corner of SW 267 Street and SW 143 Avenue, Naranja, Florida, 33032. This loan involves the reloan of funds, which were prepaid by a developer on other County affordable housing loans. The prepayment and reloan structure is permitted by Section 17-02 of the Miami-Dade County Code, which provides that any developer that repays its County loan in full before the date on which the loan is due in full may, upon approval of the Board, have the repaid funds loaned to it, or a related entity, for additional eligible affordable housing projects without the need to compete again for those funds.

Naranja Affordable Housing, Ltd. received two (2) HOME program loans in the combined amount of \$1,221,500.00 for development of the Naranja Villas project (Resolution Nos. R-555-94 and R-137-96). Naranja Affordable Housing, Ltd. prepaid those loans in full on April 12, 2016, more than a year before the maturity date. Naranja Affordable Housing, Ltd. requested in a letter dated July 27, 2015, attached hereto as Exhibit 1, to use the prepaid funds, which upon repayment became HOME program income, on La Joya Estates, a new affordable housing project.

The La Joya Estates project will be subject to a full credit underwriting analysis, including subsidy layering review, and must receive a favorable recommendation from the underwriter and show written financing commitments for the total development costs, all prior to the financial closing of the loan approved herein for the release of loaned funds. The loan shall be subject to those terms for loans issued in accordance with Section 17-02 of the Miami-Dade County Code and as set forth in the FY 2016 Request for Applications (RFA), subject to change at the discretion of the County Mayor or County Mayor's designee based upon the credit underwriting analysis. Table 1 below shows the loans prepaid by Naranja Affordable Housing, Ltd., inclusive of interest:

Table One

NARANJA AFFORDABLE HOUSING, LTD – Loans Pre-Paid in Full						
Loan #	Project Name	Funding Source	Loan Amount	Maturity Date	Amount Pre-Paid	Pay-Off Date
8895	Naranja Villas	HOME	\$880,000.00	7/01/17	\$880,000.00	4/12/16
7613	Naranja Villas	HOME	\$341,500.00	7/01/17	\$341,500.00	4/12/16
Total			\$1,221,500.00		\$1,221,500.00	

Upon approval of this item, a conditional loan commitment in substantially the form attached hereto as Exhibit 2 in the amount of \$1,221,500.00 will be issued to La Joya Estates, Ltd., or related entity, for the development of La Joya Estates. The project includes a total of 100 units consisting of four (4) one-bedroom/one-bath units; 64 two-bedroom/two-bath units; and 32 three-bedroom/two-bath units in a mixture of garden-style and direct-entry units situated in five (5) three-story residential buildings. The project is part of the Comprehensive Development Master Plan known as the Naranja Community Urban Center. Of the 100 units, 96 units will be rented to households with incomes not greater than 60 percent of Area Median Income (AMI) and four (4) units will be rented to households with incomes not greater than 50 percent of AMI.

Carrfour Supportive Housing, Inc. – Harding Village

It is recommended that the Board allocate \$180,517.52 of HOME program income funds in the form of a loan for the rehabilitation of Carrfour Supportive Housing Inc.'s Harding Village at 8520 Harding Avenue, Miami Beach, Florida, 33141. Harding Village is a 94-unit affordable housing project that has set-aside 22 units using HOME funds for households with incomes between 50–80 percent of AMI, per HOME regulations.

Upon approval of this item, a conditional loan commitment in substantially the form attached hereto as Exhibit 3 in the amount of \$180,517.52 will be issued to Carrfour Supportive Housing Inc., or related entity, for the rehabilitation of Harding Village. The project will be subject to a full credit underwriting analysis, including subsidy layering review, and must receive a favorable recommendation from the underwriter and show written financing commitments for the total development costs, all prior to the financial closing of the loan approved herein for the release of loaned funds. The loan terms shall be those terms set forth in the FY 2013 RFA for HOME-funded homeless projects, subject to change at the discretion of the County Mayor or County Mayor's designee based upon the credit underwriting analysis.

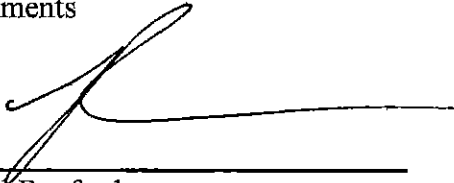
Substantial Amendments

The County Mayor or County Mayor's designee will file these Substantial Amendments to the FY 2013-2017 Consolidated Plan and FY 2016 Action Plan to authorize the allocation of HOME program income funds to La Joya Estates, Ltd., or related entity with U.S. HUD for the La Joya

Honorable Chairman Jean Monestime
and Members, Board of County Commissioners
Page No. 4

Estates affordable housing project; and to Carrfour Supportive Housing Inc., or related entity, for
the Harding Village project. Attachments

Attachments

A handwritten signature in black ink, appearing to read 'Russell Benford', written over a horizontal line.

Russell Benford
Deputy Mayor

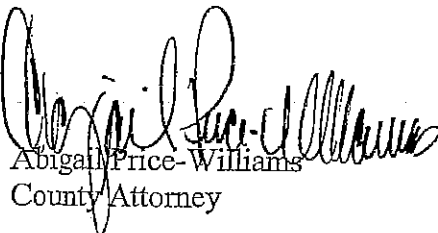


MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: December 6, 2016

FROM: 
Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 8(K)(3)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Statement of social equity required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(K)(3)
12-6-16

RESOLUTION NO. _____

RESOLUTION APPROVING A LOAN OF \$1,221,500.00 OF HOME PROGRAM INCOME FUNDS TO LA JOYA ESTATES, LTD., OR RELATED ENTITY, FOR DEVELOPMENT OF THE LA JOYA ESTATES AFFORDABLE HOUSING PROJECT AND A LOAN OF \$180,517.52 OF HOME PROGRAM INCOME FUNDS TO CARRFOUR SUPPORTIVE HOUSING, INC., OR RELATED ENTITY, FOR REHABILITATION OF THE HARDING VILLAGE AFFORDABLE HOUSING PROJECT; AUTHORIZING THE FILING OF SUBSTANTIAL AMENDMENTS TO THE FY 2013-2017 CONSOLIDATED PLAN AND FY 2016 ACTION PLAN FILED WITH THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE ALLOCATIONS OF HOME FUNDS IN THIS ITEM; AND AUTHORIZING THE EXECUTION OF CONDITIONAL LOAN COMMITMENTS, AND OTHER AGREEMENTS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS RESOLUTION

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The Board ratifies and adopts the matters set forth in the accompanying justification memorandum as if fully set forth herein.

Section 2. The Board authorizes, pursuant to the provisions of Section 17-02 of the Code of Miami Dade County, a loan to La Joya Estates, Ltd., or related entity, in an amount not to exceed \$1,221,500.00 of Housing Investment Partnerships Program (HOME) program income funds for development of La Joya Estates, a 100-unit affordable housing project located at the northeast corner of SW 267th Street and SW 143rd Avenue and serving residents with incomes

not greater than 60 percent of Area Median Income (AMI). The Board authorizes a loan of \$180,517.52 of HOME program income funds to Carrfour Supportive Housing, Inc., or related entity, for rehabilitation of Harding Village, a 94-unit affordable housing project located at 8520 Harding Avenue, Miami Beach, Florida 33141, of which 22 units will be set aside for residents with incomes between 50–80 percent AMI.

Section 3. The Board authorizes the County Mayor or County Mayor's designee to file with the United States Department of Housing and Urban Development a Substantial Amendment to the FY 2013-2017 Consolidated Plan and FY 2016 Action Plan to allocate the HOME program income funds to La Joya Estates, Ltd., or related entity, and to Carrfour Supportive Housing, Inc., or related entity, as described in Section 2.

Section 4. All funding awards and conditional loan commitments are contingent upon approval by U.S. HUD of the substantial amendments described herein and the recipient agency's (borrower) compliance with the conditions set forth in this resolution and the justification memorandum. The loans approved herein are conditional loan commitments, and the County Mayor or County Mayor's designee is authorized to execute all conditional loan commitments in substantially the form attached hereto as Exhibits 2 and 3, standard shell contracts, standard shell loan documents, amendments and other agreements necessary to fulfill the purposes of this resolution. The Board further authorizes the County Mayor or County Mayor's designee, upon a determination that such actions are in the best interest of the County, to subordinate and/or modify the terms of contracts, agreements, amendments and loan documents so long as such modifications are approved by the County Attorney's Office and are not substantially inconsistent with this resolution and to exercise the termination, waiver, acceleration, or other provisions set forth therein. The Board authorizes the County Mayor or the County Mayor's designee to execute other

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documents necessary to accomplish the purposes set forth in this resolution and authorizes the County Mayor or the County Mayor's designee to exercise the cancellation and other provisions contained therein.

The foregoing resolution was offered by Commissioner
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Joe A. Martinez	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

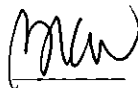
The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of December, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Brenda Kuhns Neuman

NARANJA AFFORDABLE HOUSING, LTD.

7735 NW 146 Street #306 Miami Lakes, FL 33016
305-821-0330 PHONE / 305-821-0402 FAX

EXHIBIT 1

VIA EMAIL

July 27, 2015

Leyani Sosa
Loan Servicing Supervisor
Public Housing and Community Development
Miami-Dade County
701 NW 1st Court, 14th Floor
Miami, FL 33136

RE: Request for Waiver

Dear Ms. Sosa:

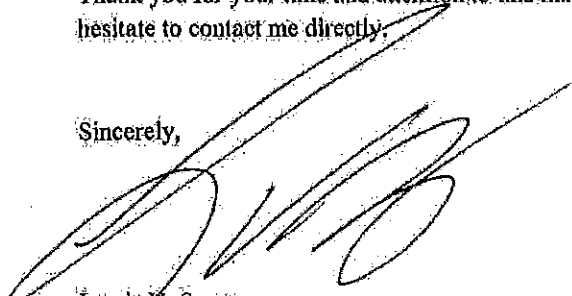
We are looking for the county to waive the three percent (3%) accrual requirement in the Promissory Note executed in July of 1995 between Metro-Dade County and Naranja Affordable Housing, LTD. consisting of HOME funds, with a maturity date of July 1, 2017. As you know, we have abided by the requirements of the agreement and made our payments for twenty years now. When the RFA was originally published it only required a three percent (3%) interest payment no did the county require the accrued interest - It was the syndicate that required the accrual in the Note as an obligation in order to generate tax losses.

In lieu of the fact that we have complied with the RFP requirements for 20 years, we are formally requesting a waiver of the accrual requirement that the county never requested, and a new amended Promissory Note drafted for execution under the same terms and conditions as the original RFP.

In lieu of the pre-payment of our loan with the county, we are requesting, pursuant to Miami-Dade County Amended Ordinance 13-12 and File Number #131035, that the funds awarded by Miami-Dade County to Naranja Affordable Housing, LTD., in the amount of \$1,221,500 consisting of HOME funds, be reallocated for the development of a partially funded new affordable housing project called La Joya Estates located at the North-East corner of SW 267 Street & SW 143 Avenue in Naranja, FL 33032.

Thank you for your time and attention to this matter. If you have any questions or concerns regarding this matter, please do not hesitate to contact me directly.

Sincerely,



Lewis N. Swezy
President of the General Partner
Naranja Affordable Housing, LTD.

Miami-Dade County
Conditional Loan Commitment

Date _____

To: _____, or related entity

Re: _____ affordable housing project [Address]

Dear Developer:

We are pleased to advise you that on _____ the Board of County Commissioners (BCC) approved a Conditional Loan Commitment for development activity at the above-listed property (the "Property"). The loan is conditionally committed for the payment of hard construction costs as a portion of the development costs to construct the affordable housing units on the Property. This Conditional Loan Commitment is made based upon the application submitted by Borrower in accordance with Section 17-02 of the Miami-Dade County Code of Ordinances and is subject to the following terms and conditions:

Borrower: _____, or related entity

Project: La Joya Estates, a new construction, affordable housing, multi-family development located on the NE corner of SW 267th Street and SW 143rd Avenue, Naranja, FL 33032, consisting of 100 units (four one-bedroom/one-bath units, 64 two-bedroom/two-bath units, and 32 three-bedroom/two-bath units) in a mixture of garden-style and direct-entry units situated in five three-story residential buildings. Ninety-six units will be rented to households with incomes not greater than 60% of Area Median Income ("AMI") and four units will be rented to households with incomes not greater than 50% of AMI.

Loan Amount: The loan amount of not-to-exceed \$_____ approved by the BCC in Resolution No. _____ and includes all terms and conditions of such BCC approval, including project scope, activity type and, for federal funds, national objective to be achieved (the "Loan"). The loan amount may be decreased as determined by the Mayor or the Mayor's designee, based upon Underwriting (defined below) and information and documentation provided by Developer.

Conditions: The Loan is conditioned upon the terms, conditions and requirements set forth below (the "Conditions"). The County shall not issue a final unconditional loan commitment, enter into a funding contract, close on the Loan or disburse the Loan funds until all the Conditions are met.

Collateral: Upon satisfaction of the Conditions, Miami-Dade County (County) and Borrower will enter into a funding contract and loan agreement. The Loan shall be evidenced by a promissory note and secured by a construction/permanent mortgage with assignment of leases and rents, a collateral assignment of leases and rents, a collateral assignment of construction documents, a rental regulatory agreement (where applicable), and any other security or collateral as deemed appropriate by the Mayor or Mayor's designee, in his or her sole discretion, with approval of the County Attorney's Office. Borrower shall additionally be required to provide the County with an environmental

indemnification agreement, a UCC-1, title affidavit, partnership affidavit (if applicable), corporate resolution approving the loan documents, opinion of counsel, certification of borrower to borrower's counsel, and title policy making the County an insured. The Collateral shall be determined based upon financial feasibility and subsidy layering underwriting to be performed by County staff in an internal process and by an independent underwriter and paid for by Borrower ("Underwriting") following review of a current title search. Additional forms of security may be required if liens, encumbrances, restrictions or covenants exist on the Property which the Mayor or Mayor's designee determines, in his or her sole discretion, threaten the County's Collateral. The Mayor or Mayor's designee shall determine, in his or her sole discretion and in consultation with the County Attorney's Office, whether the Collateral provided by Borrower is sufficient to close and disburse the Loan.

Interest Rate: Loan terms, including the interest rate, are those set forth for loans issued in accordance with Section 17-02 of the Miami-Dade County Code of Ordinances as set forth in the FY2016 Request for Applications ("RFA"), or as modified prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting:

Repayable: There will be no penalty for prepayment of the Loan (payment of Loan balance before the end of the repayment term). Repayment terms are those set forth in the RFA. All terms may be modified prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting. The prepayment of any Loan shall not affect the term of affordability set forth in the Rental Regulatory Agreement or in any of the other Loan Documents.

Term: The Loan will be for 30 years, or as may be established prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting.

Conditions:

1. Underwriting, as explained above, shall include financial feasibility review, subsidy layering review, and credit review. Underwriting is performed to protect the County's scarce affordable housing funds and is performed to ensure that the Project has sufficient financing to be completed timely and that the Project is not over-subsidized, meaning the Loan is not needed or the Loan Amount is too high. The County reserves the right to reduce the Loan Amount subject to Underwriting. The County further reserves the right to refuse to issue a final, unconditional loan commitment to Borrower or to enter into a contract for the Loan or to close on the Loan in the event that Underwriting determines that the project is financially unfeasible or otherwise is unfeasible. The costs of Underwriting are to be paid by Borrower.
2. Borrower must prove control of the Property through purchase or lease, as evidenced by a deed or lease and recorded memorandum of lease in Borrower's name. Absence of any threat of foreclosure, taking by eminent domain, or pending bankruptcy are additionally required.
3. Borrower must provide the County with written financing commitments showing committed financing for the entire Development Cost of the Project, including any gaps between the Loan and the overall costs to develop the Project. The Development Cost of the Project means the total cost of completing the entire Project, from acquisition to the issuance of Certificate of Occupancy, including but not limited to the costs for acquisition, design and planning, zoning and variances, financing costs, legal costs, construction, and permitting. In the event of a dispute as to what amount constitutes the actual Development Cost, Borrower and County will use the amount determined by Underwriting to be the Development Cost.

4. Conformance of the Project and design with the application submitted in the RFA, unless changes are approved by the Mayor or Mayor's designee.
5. Complete plans and specifications of the Project.
6. Payment and performance bond in the amount of the entire construction budget or otherwise in conformance with applicable law. Where a payment and performance bond is not required by law, the Mayor or Mayor's designee may alternatively accept – at the Mayor or Mayor's designee's sole discretion – a letter of credit in an amount acceptable to the Mayor or Mayor's designee.
7. Appraisal of the Property showing that the value of the Project and Property, when completed, exceeds the total amount of debt from all sources to be secured by the Project, unless waived by the Mayor or Mayor's designee.
8. A Phase I environmental report requiring no further action.
9. Such other conditions which are customary and reasonable for a loan of this nature, such as adhering to all Federal, State and local regulations, ordinances, codes and standards.
10. Meeting all requirements of the State Housing Initiatives Partnership ("SHIP"), Documentary Surtax or Home Investment Partnerships Program ("HOME") program, as applicable, and County resolutions and ordinances governing affordable housing development.
11. Compliance with Resolution No. R-346-15, establishing a maximum total development cost per unit; and, where applicable, Resolution No. R-343-15, establishing a maximum amount of total development costs that may be paid with Documentary Surtax funds.

This Conditional Loan Commitment will expire in six (6) months if not extended by Miami-Dade County. An extension of this Conditional Loan Commitment may be granted at the sole and absolute discretion of Miami-Dade County. Any extension granted will be contingent upon compliance with and in accordance with Resolutions No. R-165-13 and/or R-232-14, as applicable and must be signed by the Mayor or Mayor's Designee to be valid. If the loan does not close prior to the expiration or extension of this Conditional Loan Commitment, the funds will be subject to recapture and allocated to other projects. This Conditional Loan Commitment is not assignable. This Conditional Loan Commitment is the sole and complete agreement between the parties as to the terms of the Loan described herein. The terms of this Conditional Loan Commitment may only be changed in writing in a document signed by the Mayor or the Mayor's designee. No representations, written or verbal, of Miami-Dade County employees, or others purporting to act on behalf of Miami-Dade County, may change the terms of this Commitment.

Miami-Dade County wishes to thank you for your proposal and the opportunity to provide financing for this development, and we look forward to closing this transaction.

Sincerely,

Miami-Dade County

Carlos A. Gimenez, Mayor

Date: _____

c: Russell Benford, Deputy Mayor

Approved as to Form and Legal Sufficiency

Assistant County Attorney

Date _____

Miami-Dade County
Conditional Loan Commitment

Date

To: _____, or related entity

Re: _____ affordable housing project [Address]

Dear Developer:

We are pleased to advise you that on _____ the Board of County Commissioners (BCC) approved a Conditional Loan Commitment for development activity at the above-listed property (the "Property"). The loan is conditionally committed for the payment of hard construction costs as a portion of the development costs to construct the affordable housing units on the Property. This Conditional Loan Commitment is made based upon the application submitted by Borrower in response to the FY2013 Request for Applications (the "RFA") for HOME-funded homeless projects and is subject to the following terms and conditions:

Borrower: _____, or related entity

Project: Harding Village, 8520 Harding Avenue, Miami Beach, Florida 33141, a 94-unit affordable housing project that will set-aside 22 units using HOME funds for households with incomes between 50% – 80% AMI, per HOME regulations

Loan Amount: The loan amount of not-to-exceed \$_____ approved by the BCC in Resolution No. _____ and includes all terms and conditions of such BCC approval, including project scope, activity type and, for federal funds, national objective to be achieved (the "Loan"). The loan amount may be decreased as determined by the Mayor or the Mayor's designee, based upon Underwriting (defined below) and information and documentation provided by Developer.

Conditions: The Loan is conditioned upon the terms, conditions and requirements set forth below (the "Conditions"). The County shall not issue a final unconditional loan commitment, enter into a funding contract, close on the Loan or disburse the Loan funds until all the Conditions are met.

Collateral: Upon satisfaction of the Conditions, Miami-Dade County (County) and Borrower will enter into a funding contract and loan agreement. The Loan shall be evidenced by a promissory note and secured by a construction/permanent mortgage with assignment of leases and rents; a collateral assignment of leases and rents, a collateral assignment of construction documents, a rental regulatory agreement (where applicable), and any other security or collateral as deemed appropriate by the Mayor or Mayor's designee, in his or her sole discretion, with approval of the County Attorney's Office. Borrower shall additionally be required to provide the County with an environmental indemnification agreement, a UCC-1, title affidavit, partnership affidavit (if applicable), corporate resolution approving the loan documents, opinion of counsel, certification of borrower to borrower's counsel, and title policy making the County an insured. The

Collateral shall be determined based upon financial feasibility and subsidy layering underwriting to be performed by County staff in an internal process and by an independent underwriter and paid for by Borrower ("Underwriting") following review of a current title search. Additional forms of security may be required if liens, encumbrances, restrictions or covenants exist on the Property which the Mayor or Mayor's designee determines, in his or her sole discretion, threaten the County's Collateral. The Mayor or Mayor's designee shall determine, in his or her sole discretion and in consultation with the County Attorney's Office, whether the Collateral provided by Borrower is sufficient to close and disburse the Loan.

Interest Rate: Loan terms, including the interest rate, are those set forth in the FY2013 Request for Applications for HOME-funded homeless projects (described below), or as modified prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting:

0% interest during construction years 1-2, 0.5% accrual in years 3-30 which will not be collected as long as development complies with all loan conditions. If the project complies with all loan conditions, then the principal and interest shall be forgiven in equal increments equal to twenty-five percent (25%) of the loan amount in years 27 through 30. The project shall be subject to a rental regulatory agreement for 30 years from the date of completion and shall be subject to a 30-year affordability and occupancy restriction period. If borrower ceases its use of the property as a homeless facility, then or at any time, upon written notice from the County, the loan, including any accrued interest, if any, shall become immediately due and payable.

Repayable: There will be no penalty for prepayment of the Loan (payment of Loan balance before the end of the repayment term). Repayment terms are those set forth in the RFA. All terms may be modified prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting. The prepayment of any Loan shall not affect the term of affordability set forth in the Rental Regulatory Agreement or in any of the other Loan Documents.

Term: The Loan will be for 30 years, or as may be established prior to closing by the Mayor or Mayor's designee in accordance with the results of Underwriting.

Conditions:

1. Underwriting, as explained above, shall include financial feasibility review, subsidy layering review, and credit review. Underwriting is performed to protect the County's scarce affordable housing funds and is performed to ensure that the Project has sufficient financing to be completed timely and that the Project is not over-subsidized, meaning the Loan is not needed or the Loan Amount is too high. The County reserves the right to reduce the Loan Amount subject to Underwriting. The County further reserves the right to refuse to issue a final, unconditional loan commitment to Borrower or to enter into a contract for the Loan or to close on the Loan in the event that Underwriting determines that the project is financially unfeasible or otherwise is unfeasible. The costs of Underwriting are to be paid by Borrower.
2. Borrower must prove control of the Property through purchase or lease, as evidenced by a deed or lease and recorded memorandum of lease in Borrower's name. Absence of any threat of foreclosure, taking by eminent domain, or pending bankruptcy are additionally required.

3. Borrower must provide the County with written financing commitments showing committed financing for the entire Development Cost of the Project, including any gaps between the Loan and the overall costs to develop the Project. The Development Cost of the Project means the total cost of completing the entire Project, from acquisition to the issuance of Certificate of Occupancy, including but not limited to the costs for acquisition, design and planning, zoning and variances, financing costs, legal costs, construction, and permitting. In the event of a dispute as to what amount constitutes the actual Development Cost, Borrower and County will use the amount determined by Underwriting to be the Development Cost.
4. Conformance of the Project and design with the application submitted in the RFA, unless changes are approved by the Mayor or Mayor's designee.
5. Complete plans and specifications of the Project.
6. Payment and performance bond in the amount of the entire construction budget or otherwise in conformance with applicable law. Where a payment and performance bond is not required by law, the Mayor or Mayor's designee may alternatively accept – at the Mayor or Mayor's designee's sole discretion – a letter of credit in an amount acceptable to the Mayor or Mayor's designee.
7. Appraisal of the Property showing that the value of the Project and Property, when completed, exceeds the total amount of debt from all sources to be secured by the Project, unless waived by the Mayor or Mayor's designee.
8. A Phase I environmental report requiring no further action.
9. Such other conditions which are customary and reasonable for a loan of this nature, such as adhering to all Federal, State and local regulations, ordinances, codes and standards.
10. Meeting all requirements of the State Housing Initiatives Partnership ("SHIP"), Documentary Surtax or Home Investment Partnerships Program ("HOME") program, as applicable, and County resolutions and ordinances governing affordable housing development.
11. Compliance with Resolution No. R-346-15, establishing a maximum total development cost per unit; and, where applicable, Resolution No. R-343-15, establishing a maximum amount of total development costs that may be paid with Documentary Surtax funds.

This Conditional Loan Commitment will expire in six (6) months if not extended by Miami-Dade County. An extension of this Conditional Loan Commitment may be granted at the sole and absolute discretion of Miami-Dade County. Any extension granted will be contingent upon compliance with and in accordance with Resolutions No. R-165-13 and/or R-232-14, as applicable and must be signed by the Mayor or Mayor's Designee to be valid. If the loan does not close prior to the expiration or extension of this Conditional Loan Commitment, the funds will be subject to recapture and allocated to other projects. This Conditional Loan Commitment is not assignable. This Conditional Loan Commitment is the sole and complete agreement between the parties as to the terms of the Loan described herein. The terms of this Conditional Loan Commitment may only be changed in writing in a document signed by the Mayor or the Mayor's designee. No representations, written or verbal, of Miami-Dade County employees, or others purporting to act on behalf of Miami-Dade County, may change the terms of this Commitment.

Miami-Dade County wishes to thank you for your proposal and the opportunity to provide financing for this development, and we look forward to closing this transaction.

Sincerely,

Miami-Dade County

Carlos A. Gimenez, Mayor

Conditional Loan Commitment
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Date: _____

c: Russell Benford, Deputy Mayor

Approved as to Form and Legal Sufficiency.....

Assistant County Attorney

Date _____